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Forecasting Trends in Regional Aviation

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FAA Commercial Aviation Conference,
March 13, 2002

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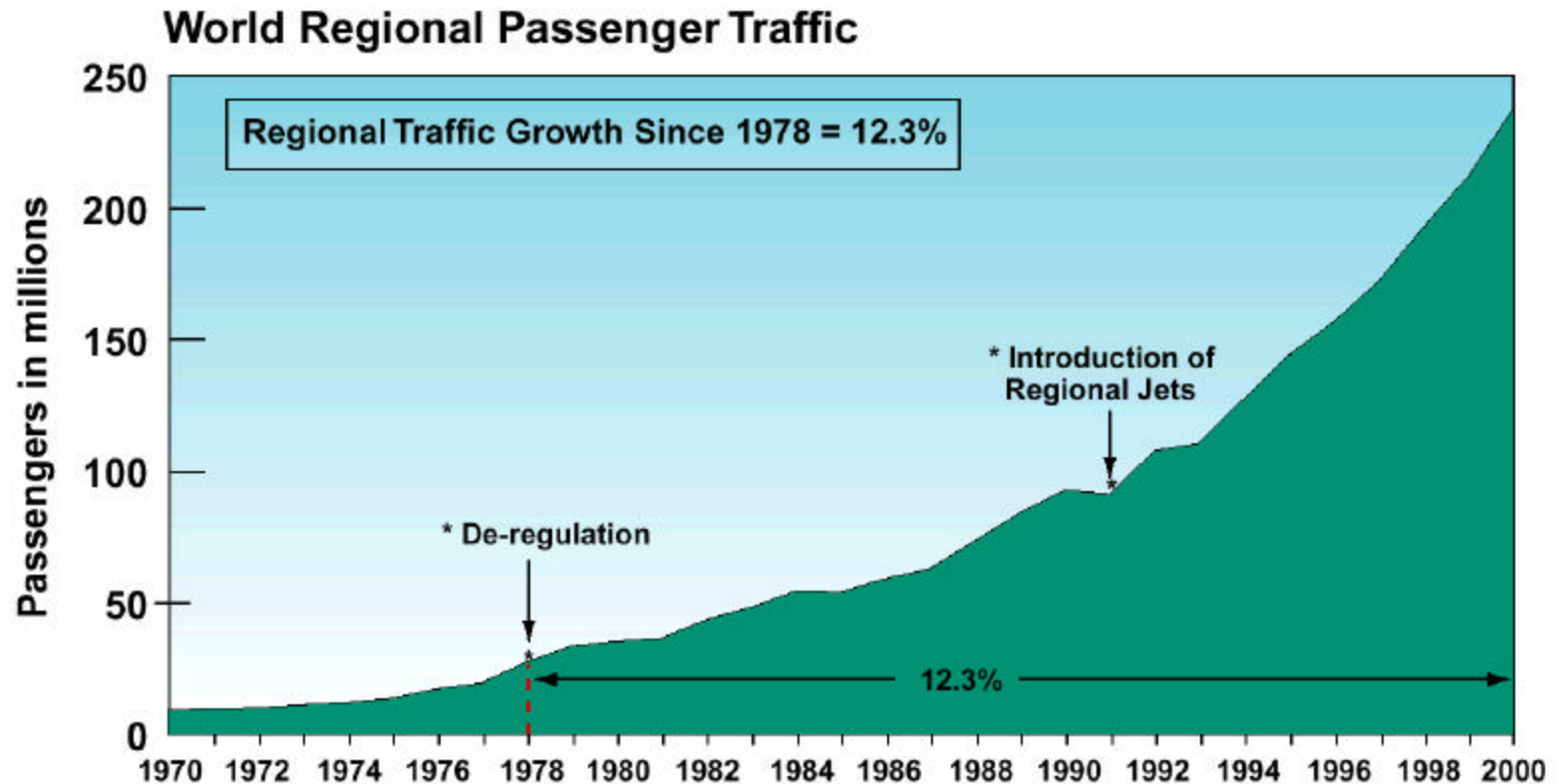
The Regional Marketplace

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World Regional Passenger Traffic Enplanements 1970-2000



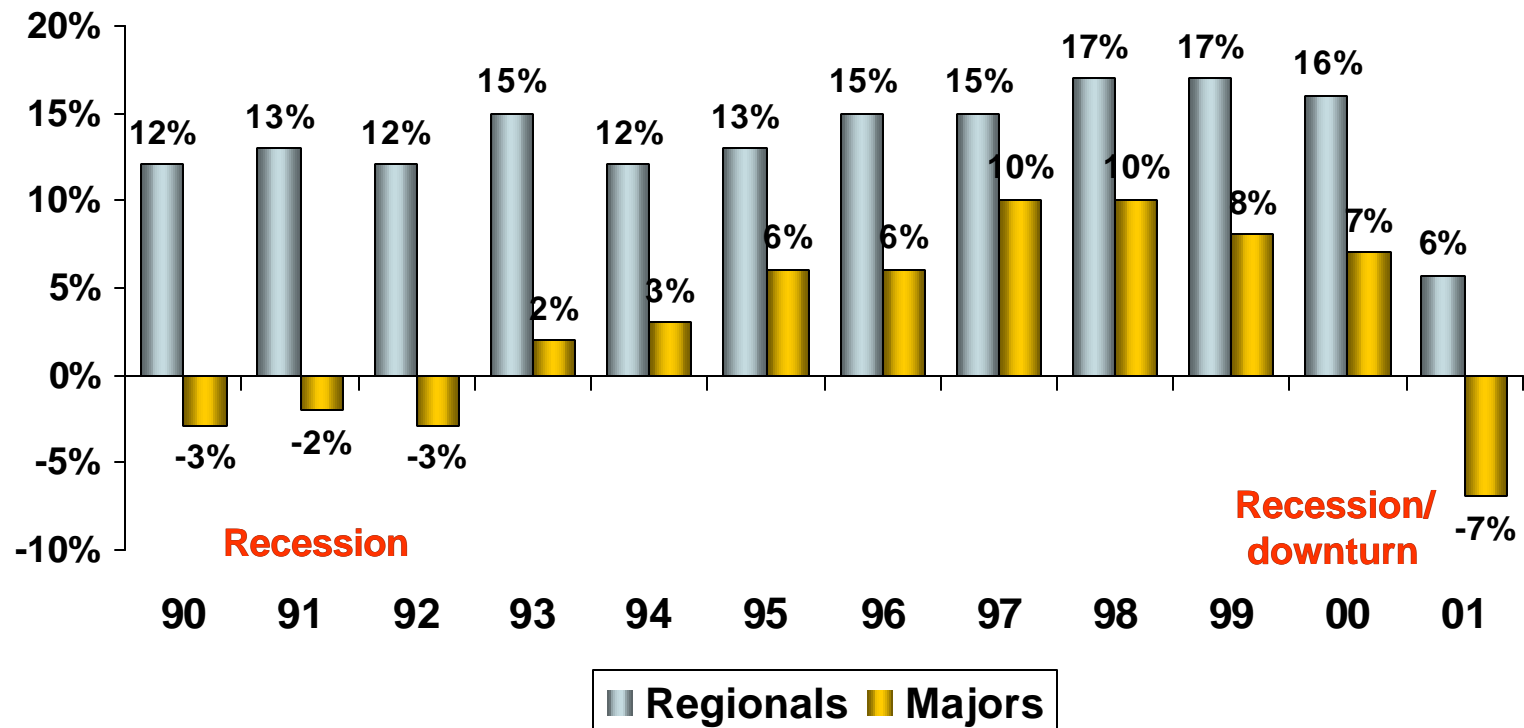
Continued Strong Growth in Regional Traffic

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U.S. regional airlines have consistently been more profitable than majors

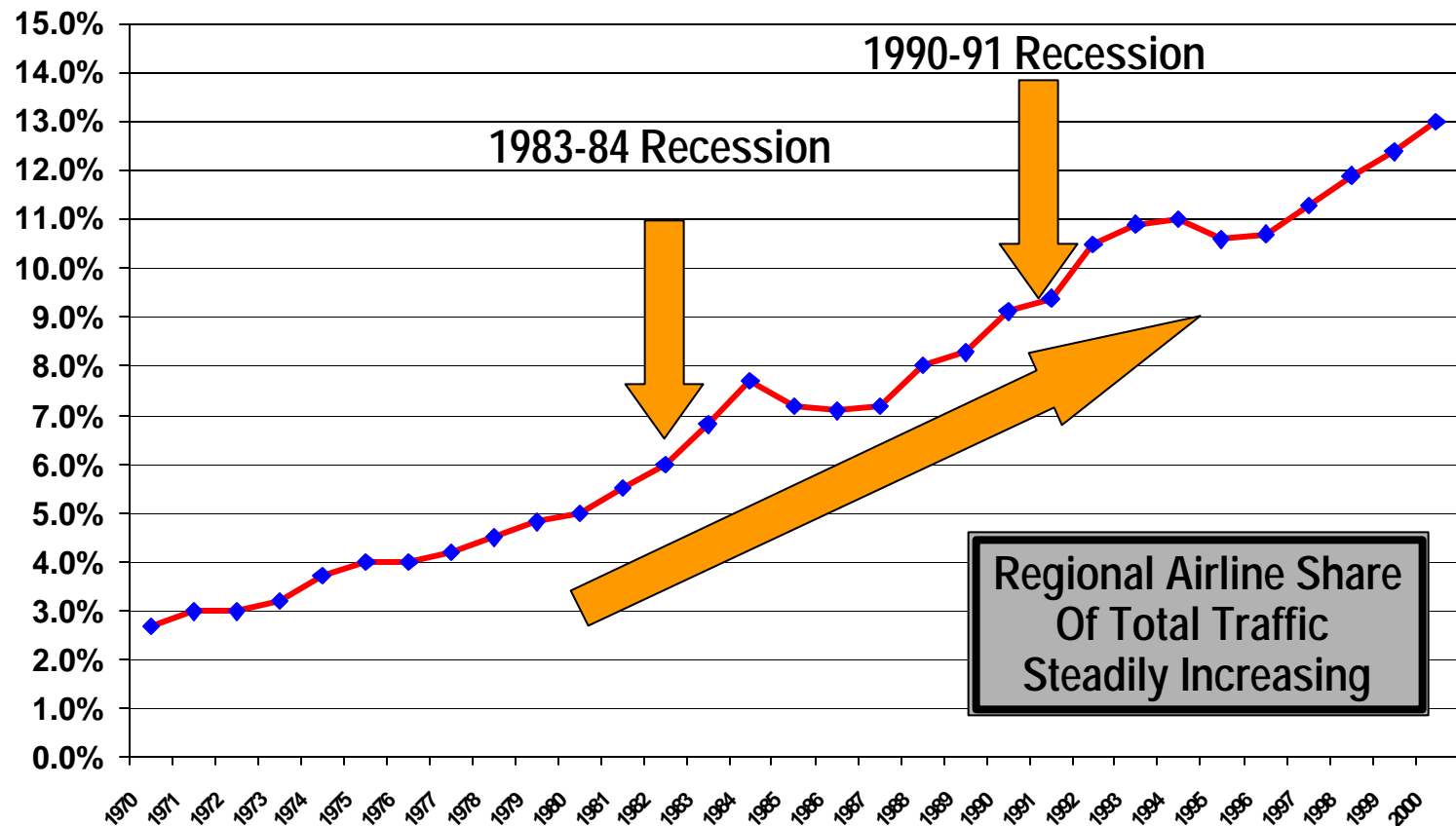
Operating Margins - U.S. Regionals vs. Majors



Source: Merrill Lynch - 1990 to 2001

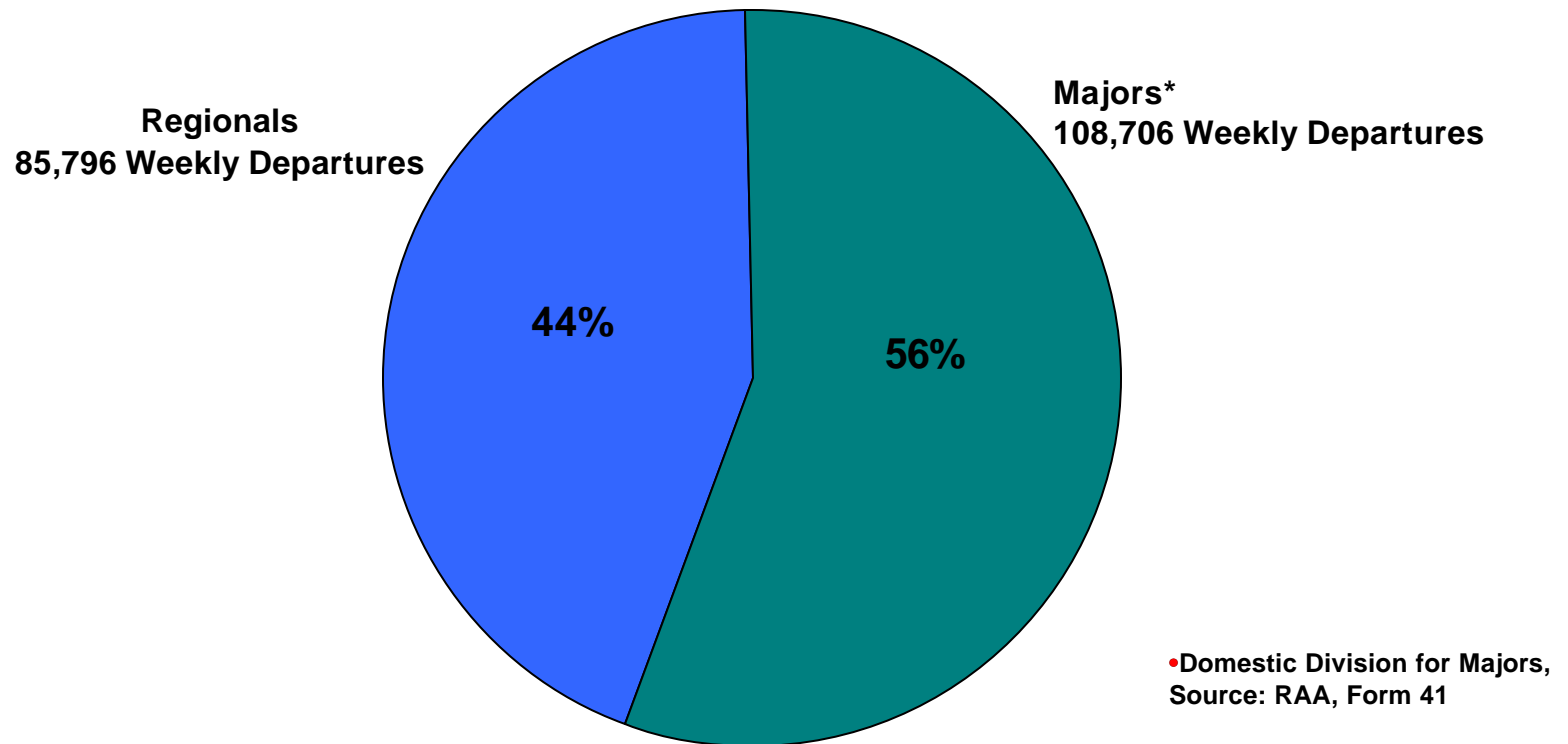
Regional Airlines Share of Traffic Improves During Downturns

US Regional Airline Passengers as % of US Major Airline Passengers



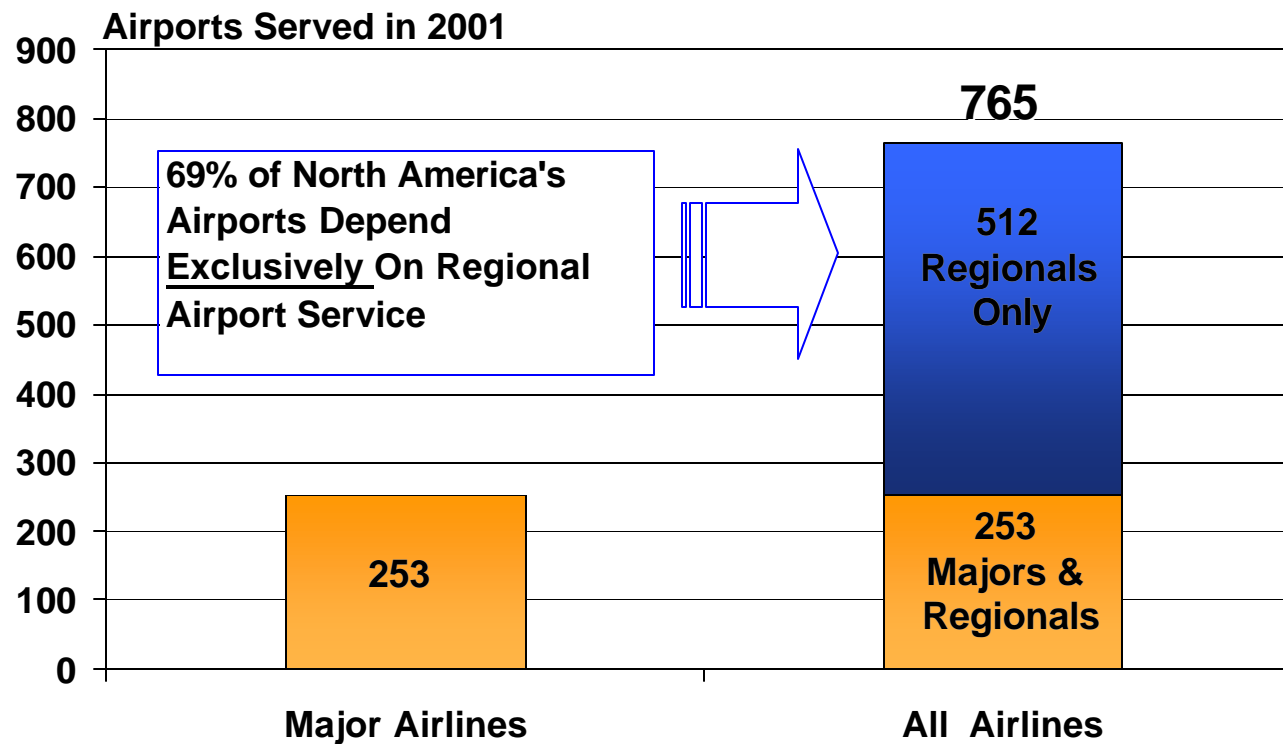
Source: US DOT & RAA

US Weekly Departures, 2000



Almost Half of All Commercial Airline Flights Are
By Regional Aircraft

Airline Service at North American Airports, January 2001

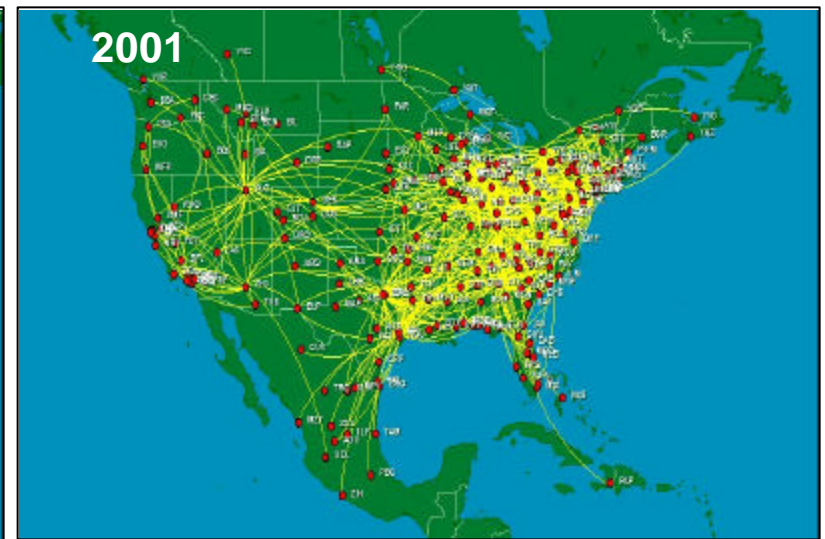


Regional Airlines Are Essential To Our Air Transportation System

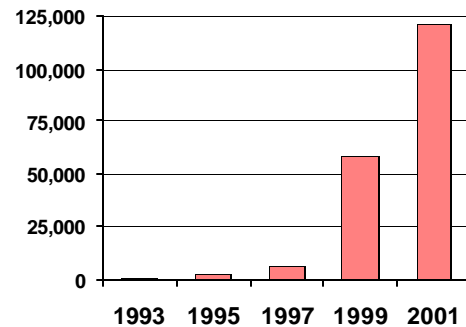
Source: RAA

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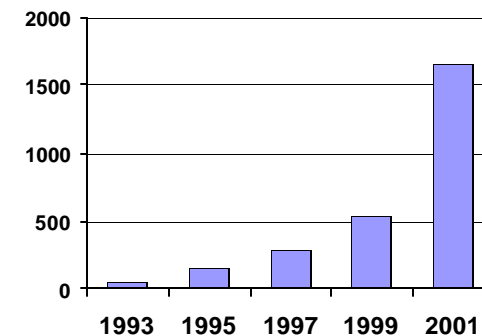
Regional Jet Network Growth – North America



**Departures/
Month**



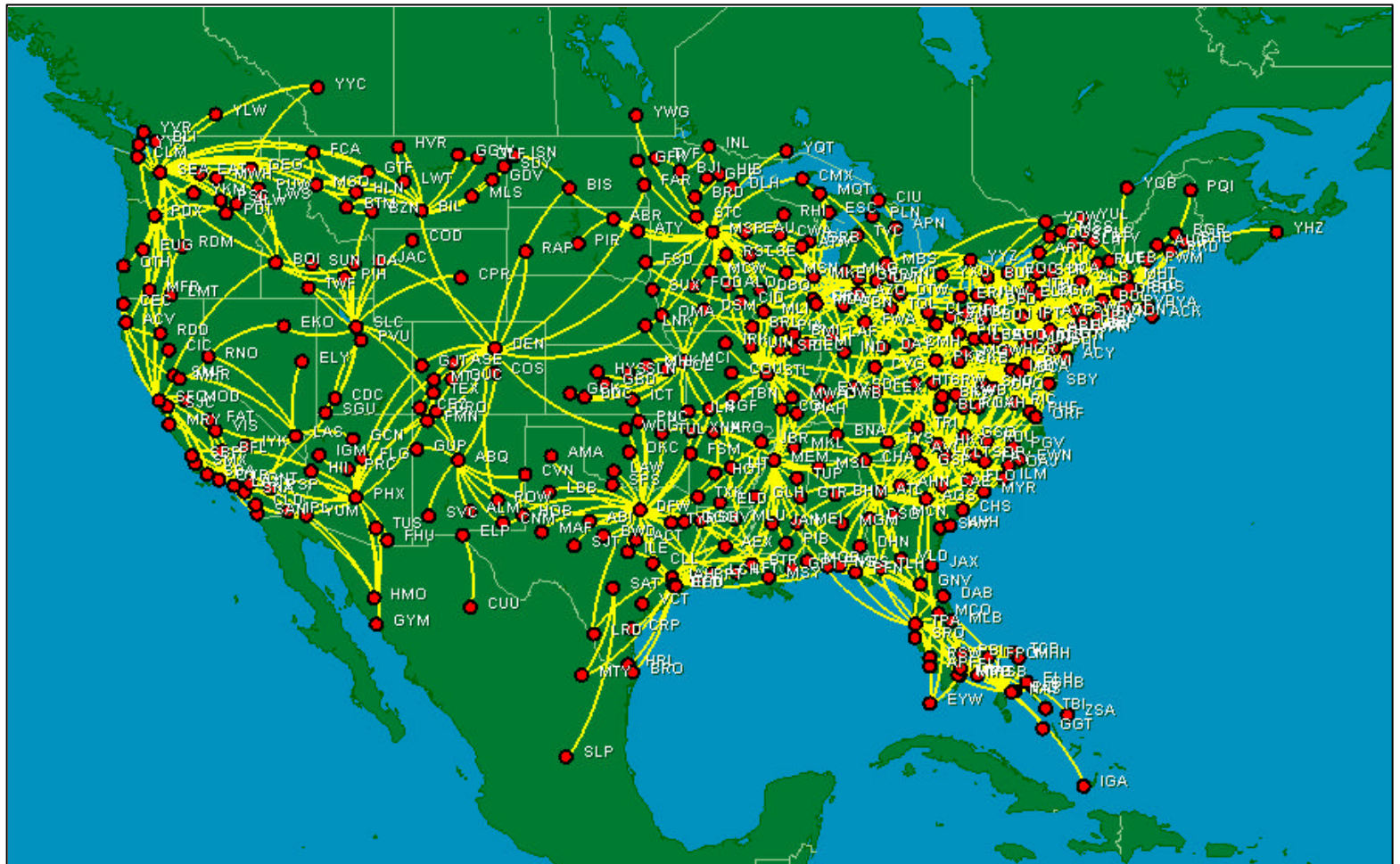
Markets Served



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Turboprops Still At The Core U.S. Turboprop Routes – March 2002



Note: Excludes Alaska, Hawaii, Puerto Rico, US Pacific Trusts, US Virgin Islands

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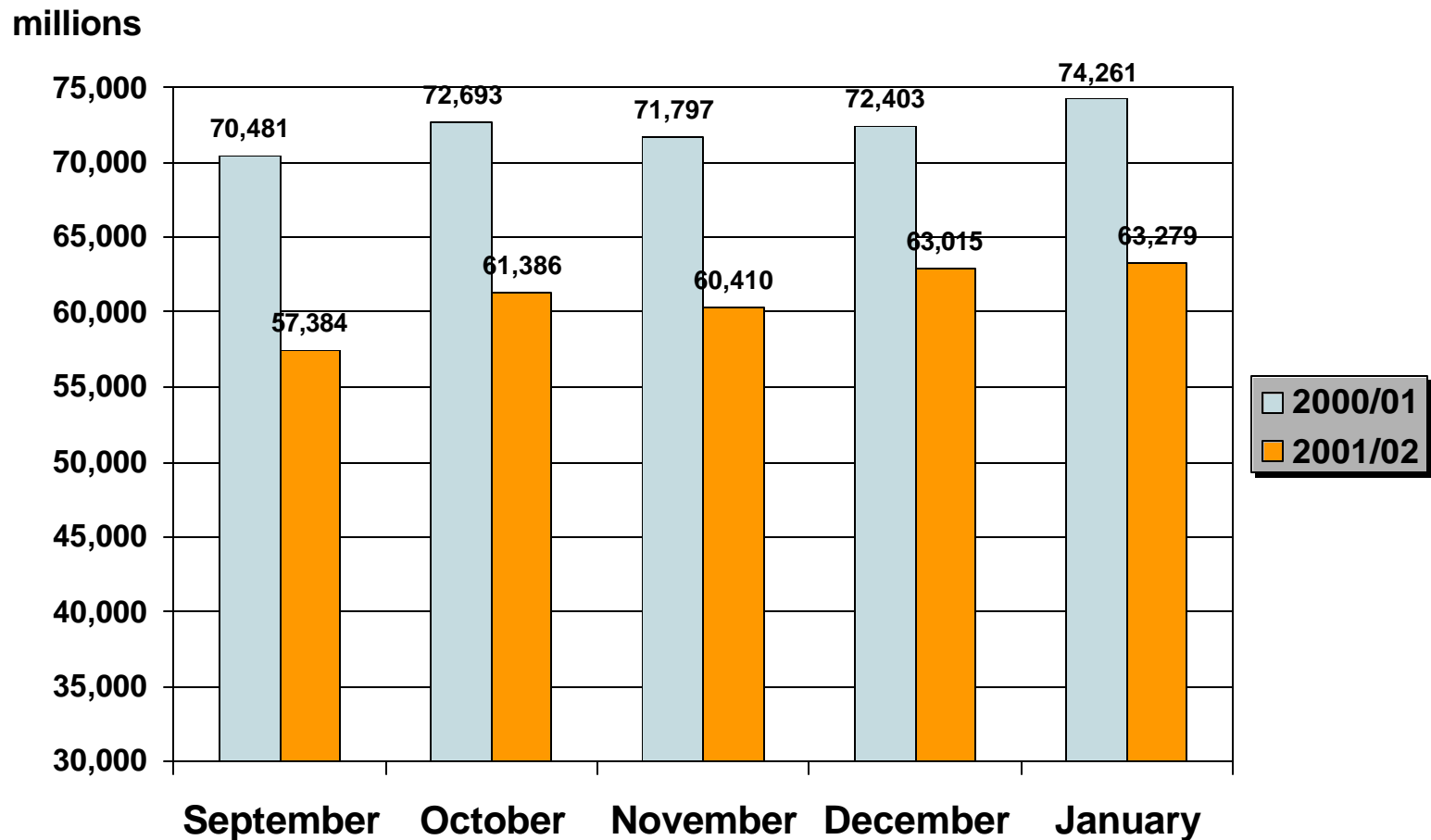


The Regional Market in 2002

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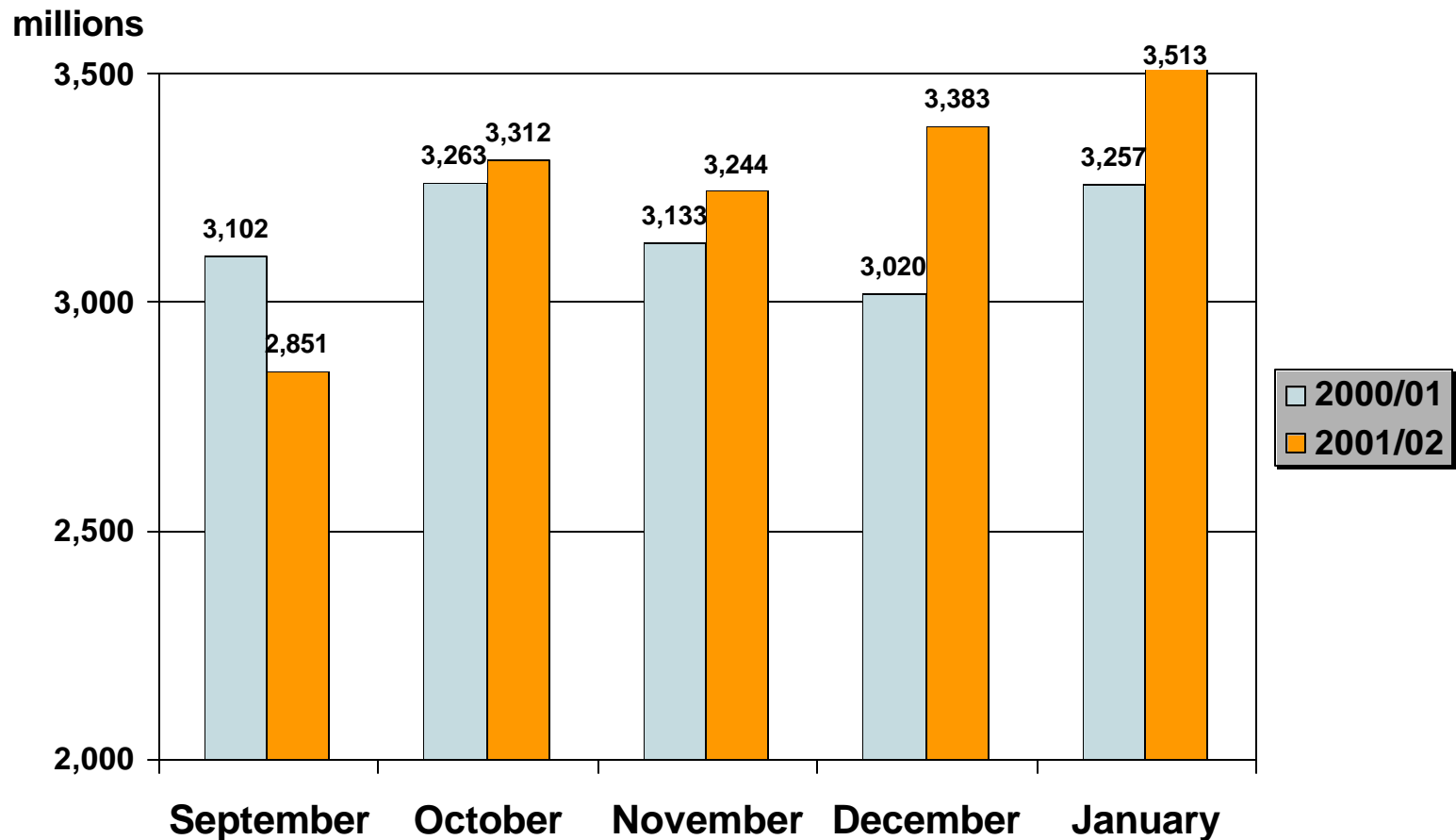


Capacity (ASM) Progression – US Major Airlines



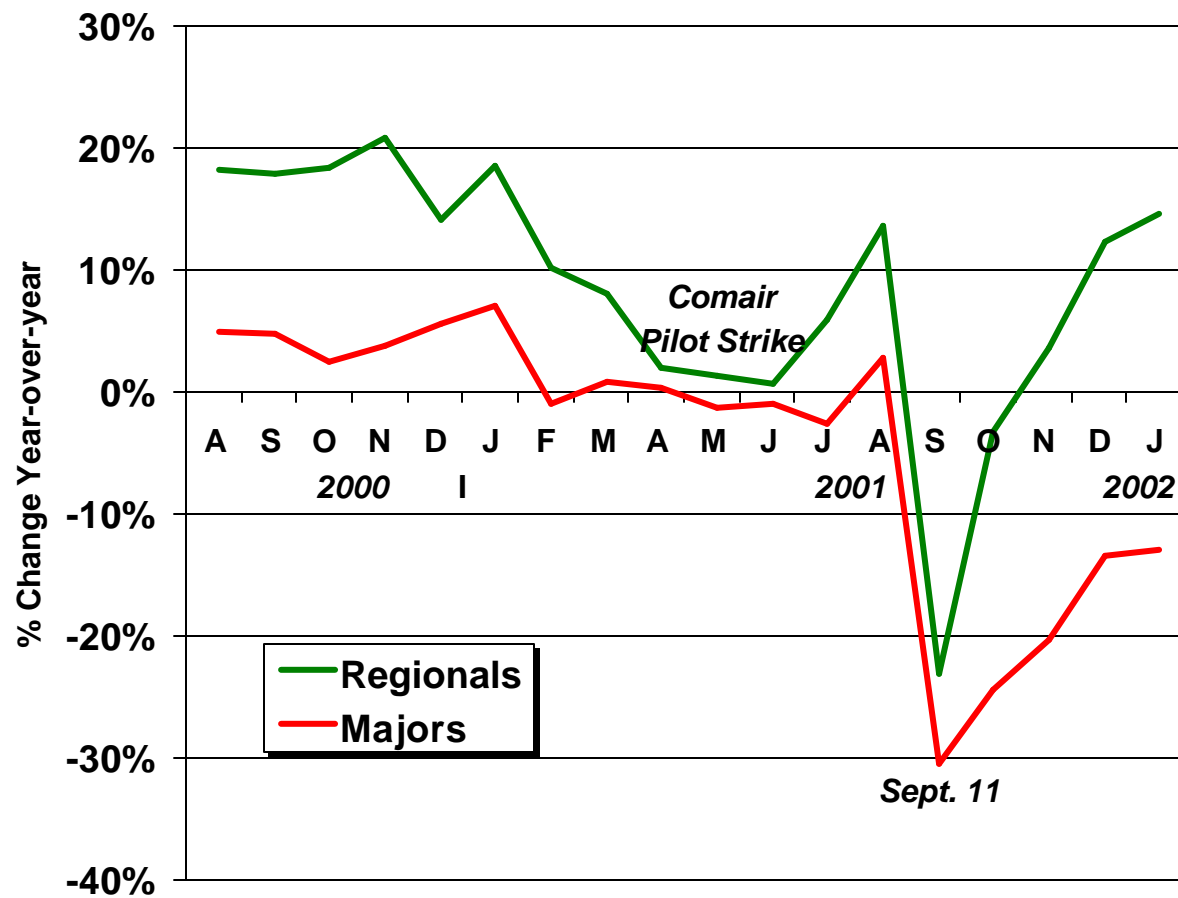
US Major Airline Capacity Down by ~15% from Last Year

Capacity (ASM) Progression – All Reporting US Regional Airlines



**Regional Airline Capacity Is Growing Strongly
Past Last Year's Levels**

Traffic (RPM) Growth – U.S. Regional vs. Majors

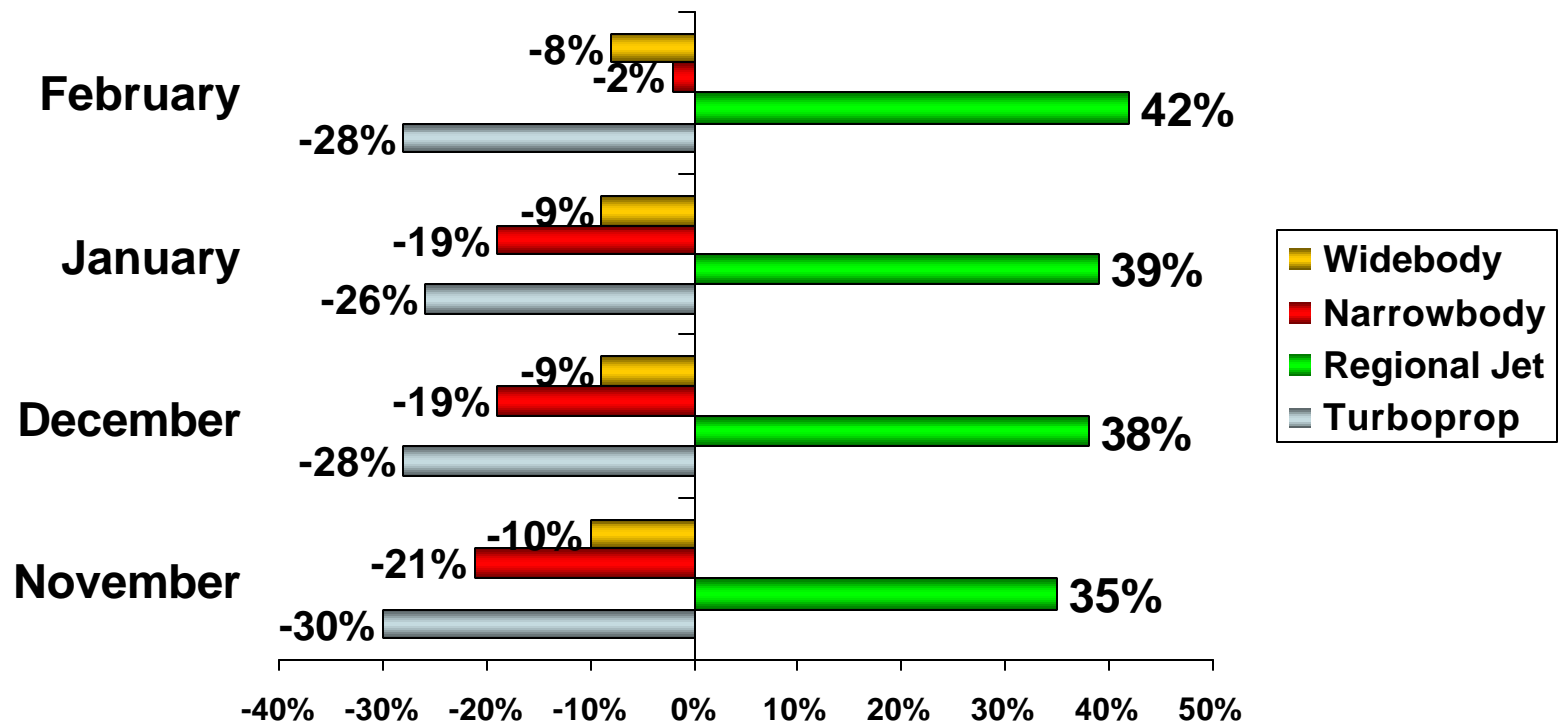


Sources:
The Airline Monitor &
Company Reports

Rapid Traffic Recovery for Regional Airlines

Regional Jet Service Continues to Increase Over The Previous Year – North America

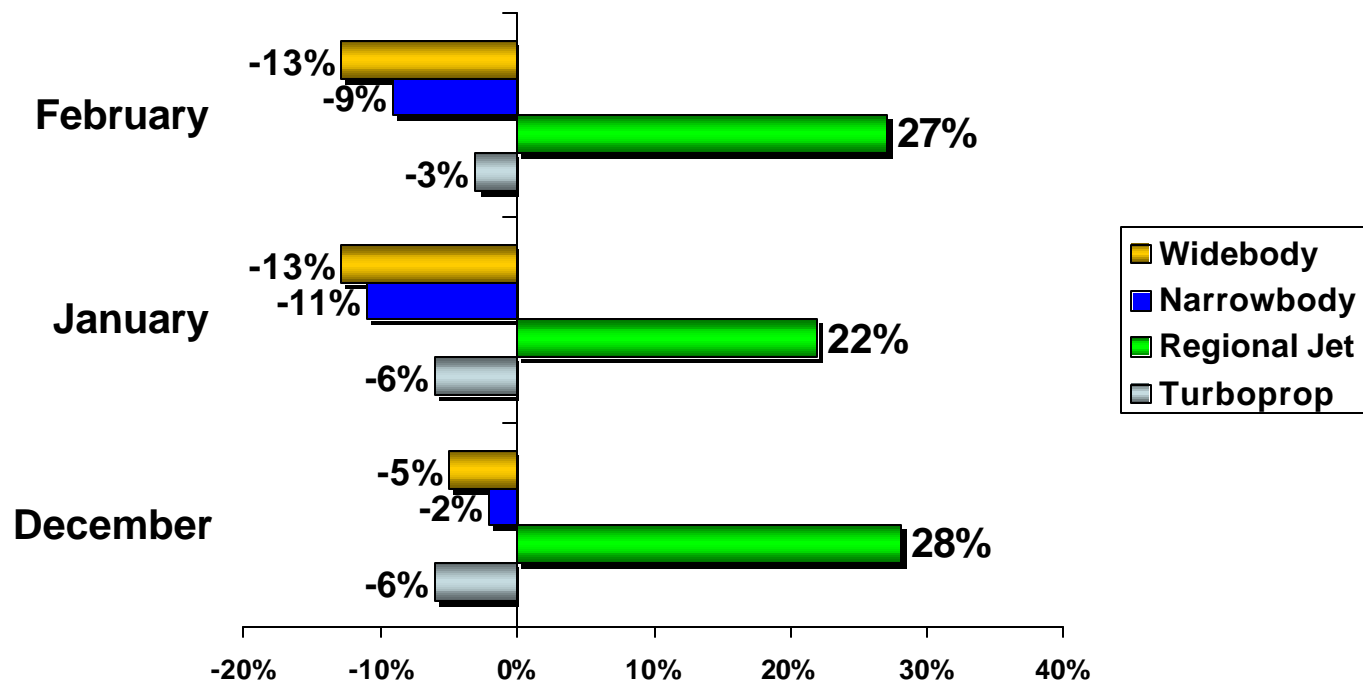
Monthly Scheduled Departures: 2001/2 vs. 2000/1



includes American, Continental, Delta, Northwest, United and US Airways
Source: Innovata

Schedule Comparison (Year-over-Year) European Airlines (AF, BA, IB, LH, SK)

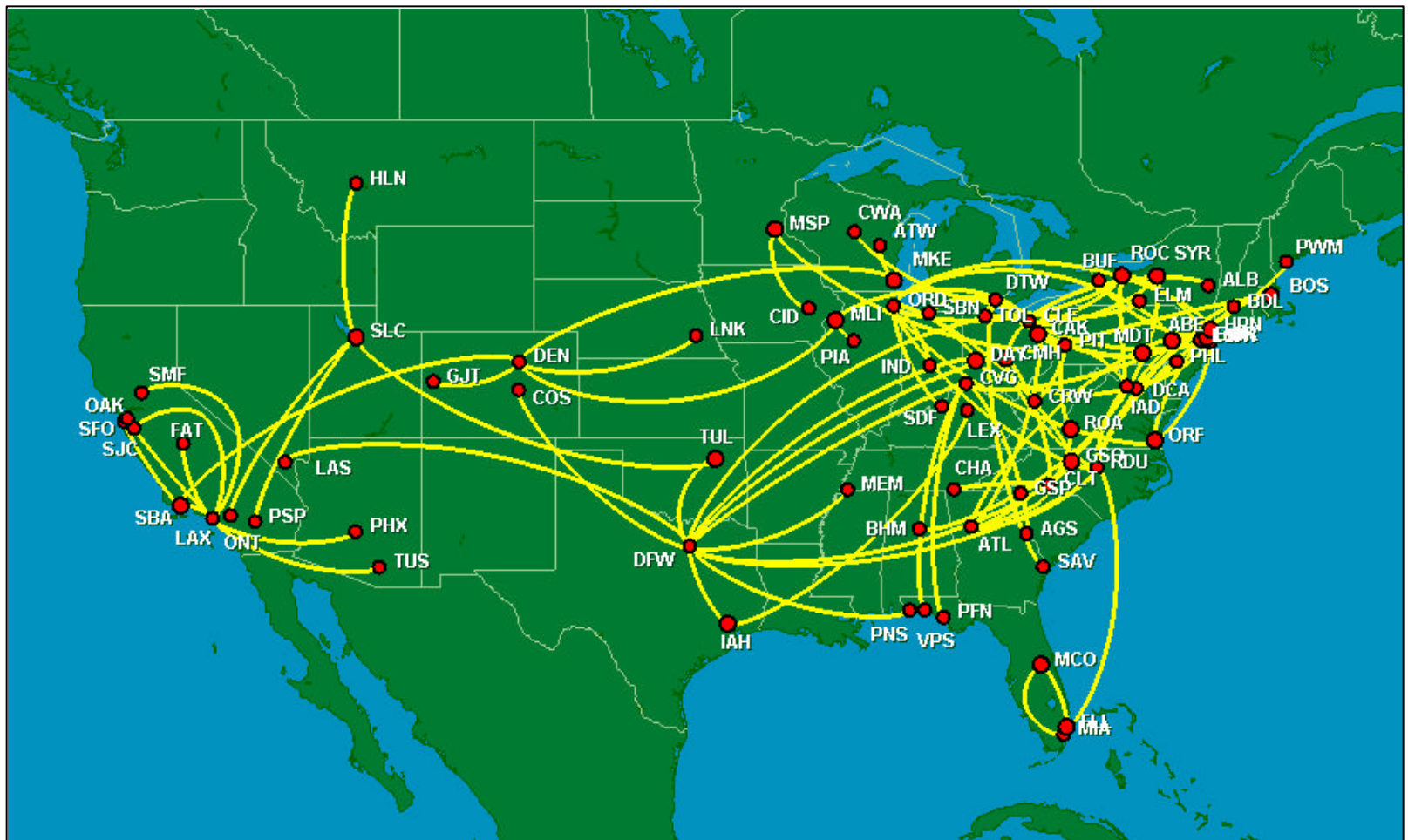
Monthly Scheduled Departures: 2001/2 vs. 2000/1



**European Airlines have substantively increased
use of Regional Jets since Sept 11th.**

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Added RJ Routes Post September 11, 2001



Includes New Routes, Supplemental and Replacement RJ Flying

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Regional Airlines Fly Jets & Turboprops

AIR CANADA



Horizon Air



 **AIR NOSTRUM**
LINEAS AERIAS DEL MEDITERRANEO



Lufthansa



BRITISH AIRWAYS



**Jets & Turboprops
Are Complementary**

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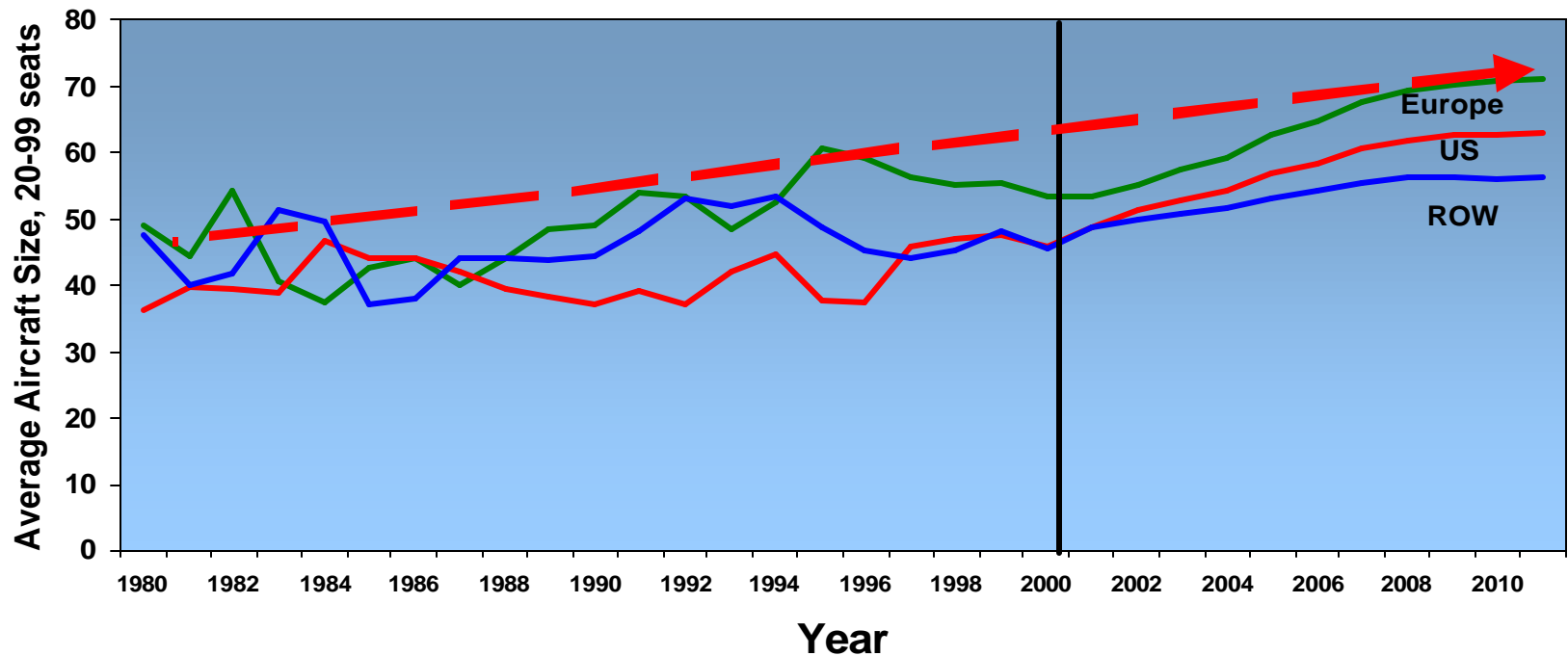


Looking Forward

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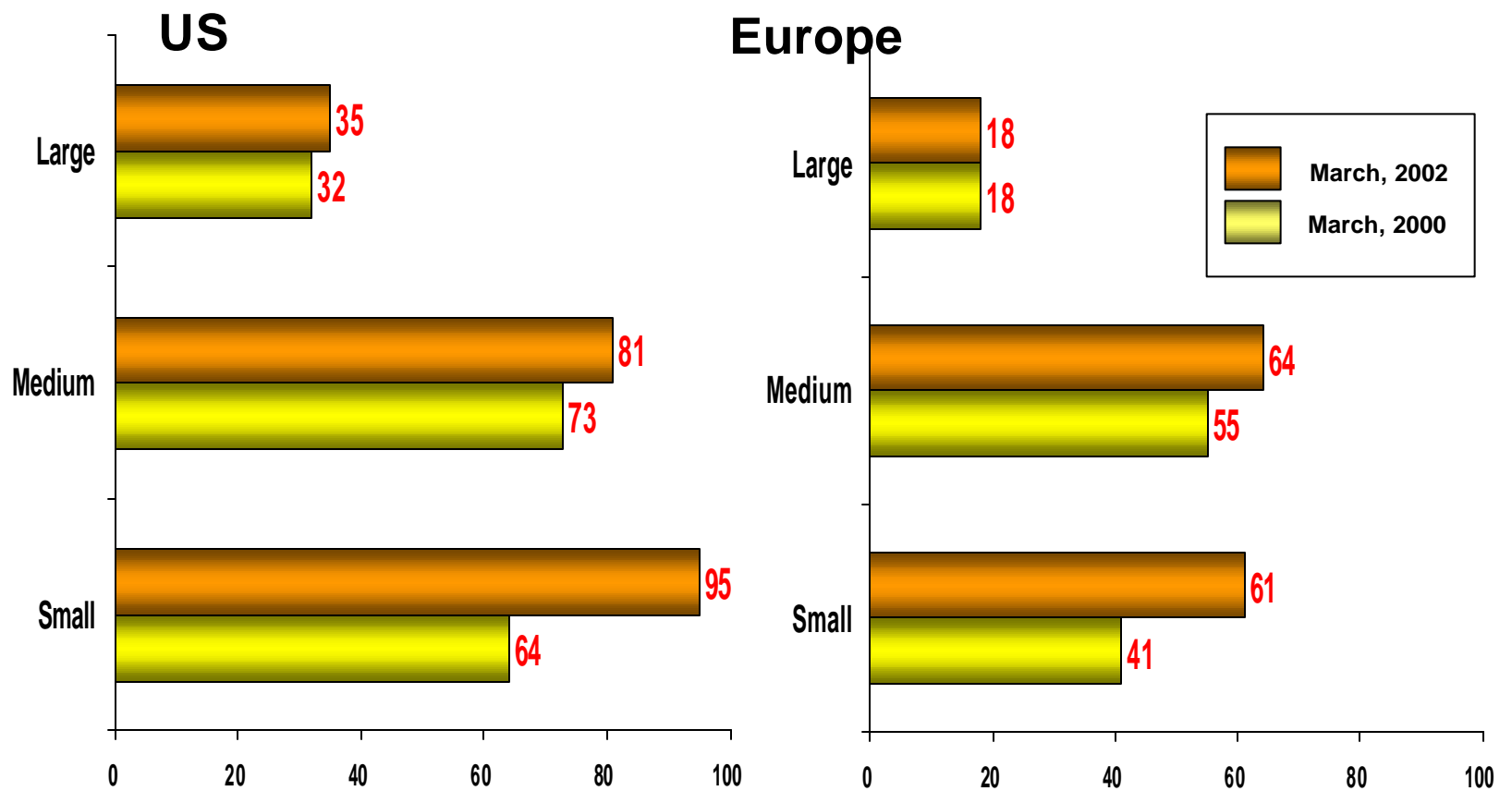


Regional Market Has Trended to Larger Capacity Aircraft Since “Deregulation”



Average Worldwide Regional Aircraft Size
Forecast to Grow to 63 Seats by 2011

RJ Service to Small Airports Has Increased Significantly

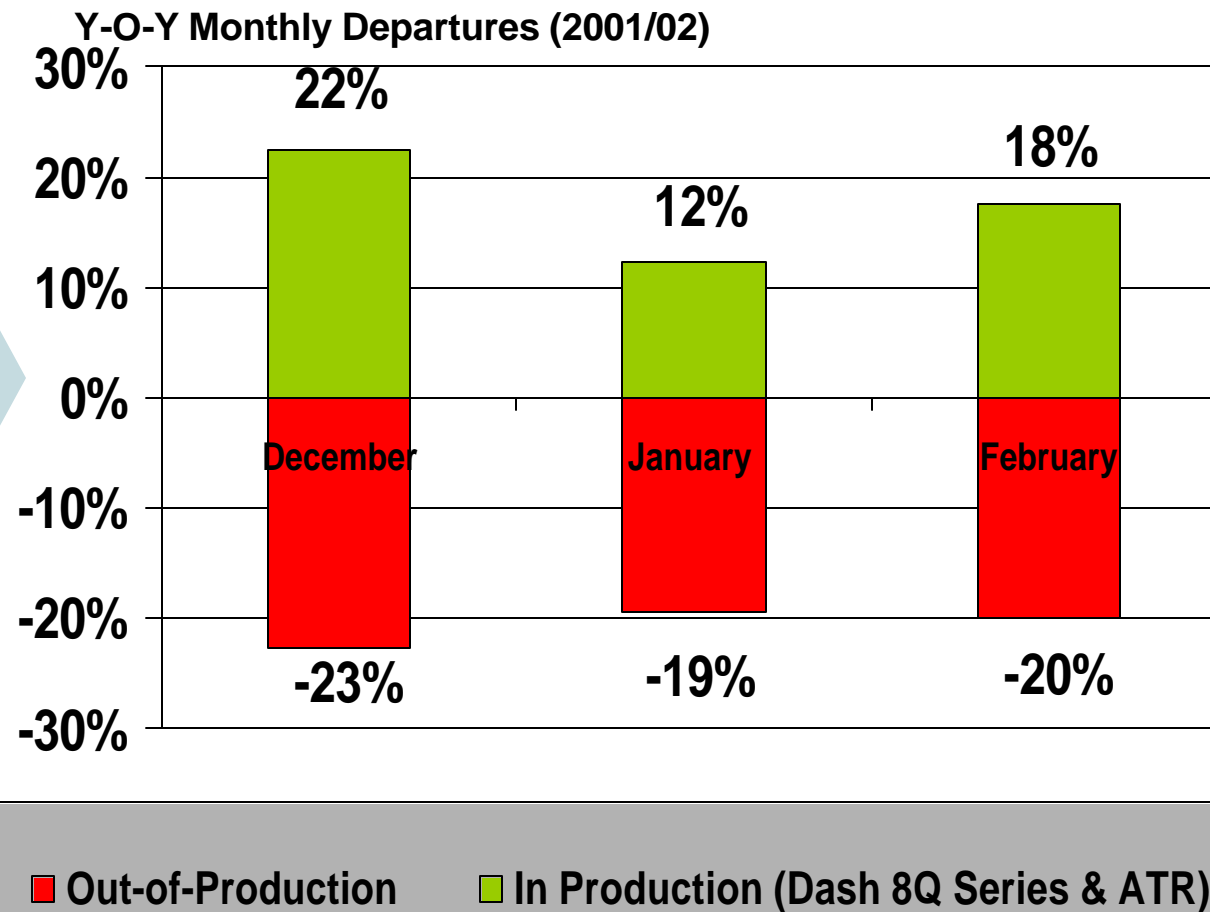


Count of Airports With RJ Service

Source: Innovata

New Generation Turboprop Use Increasing in Europe

European
Switch to
New
Generation
Turboprops



European Airlines (AF, BA, IB, LH, SK)
Source: Innovata

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Q400 Approved for London City Airport (LCY)

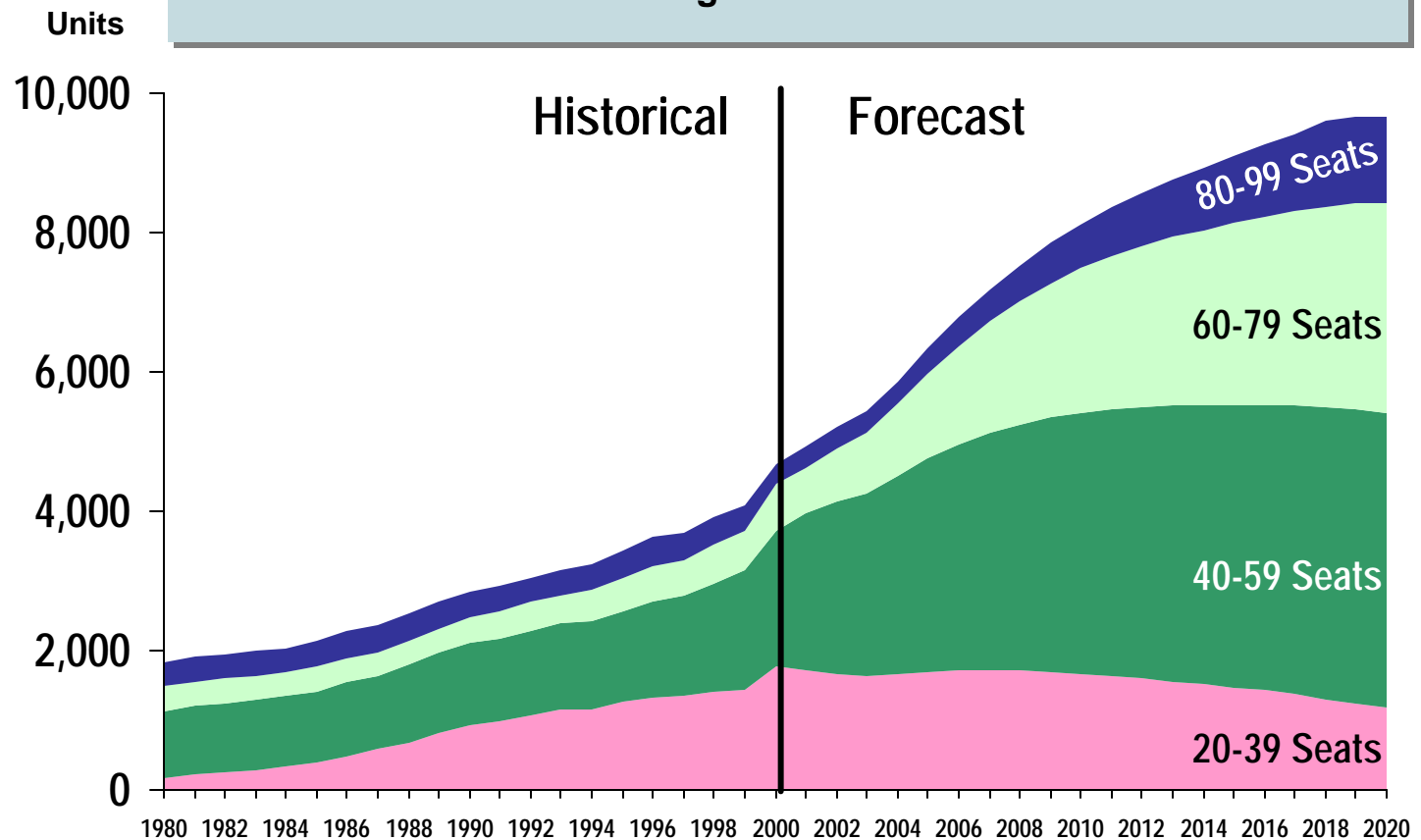


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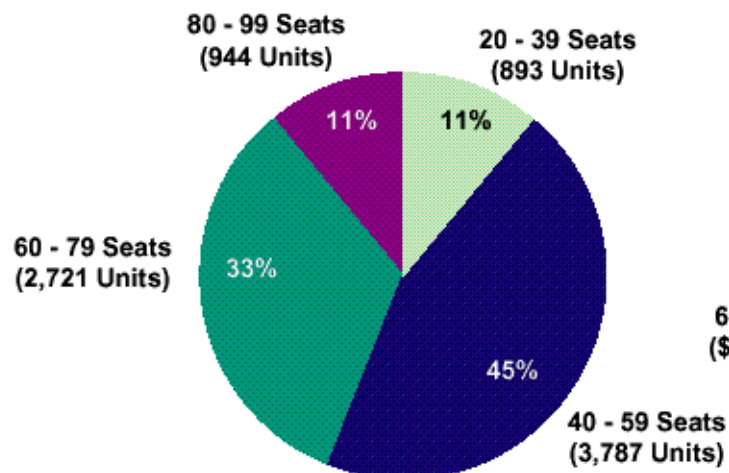
Worldwide Regional Aircraft Fleet Forecast to Double in Less than 20 Years

Bombardier Worldwide Regional Aircraft Fleet Forecast to 2020



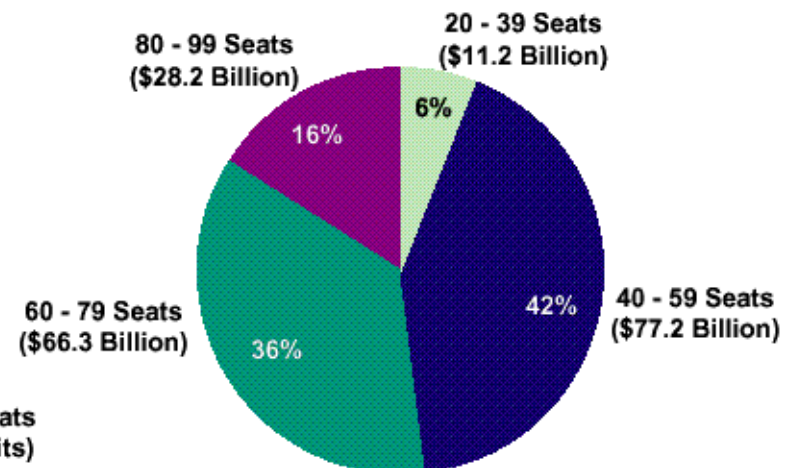
Worldwide Delivery Forecast, 2001-2020

Delivered Units



Delivery Units = 8,345

Revenues



Revenues* = \$183 Billion US

MPD1134.A

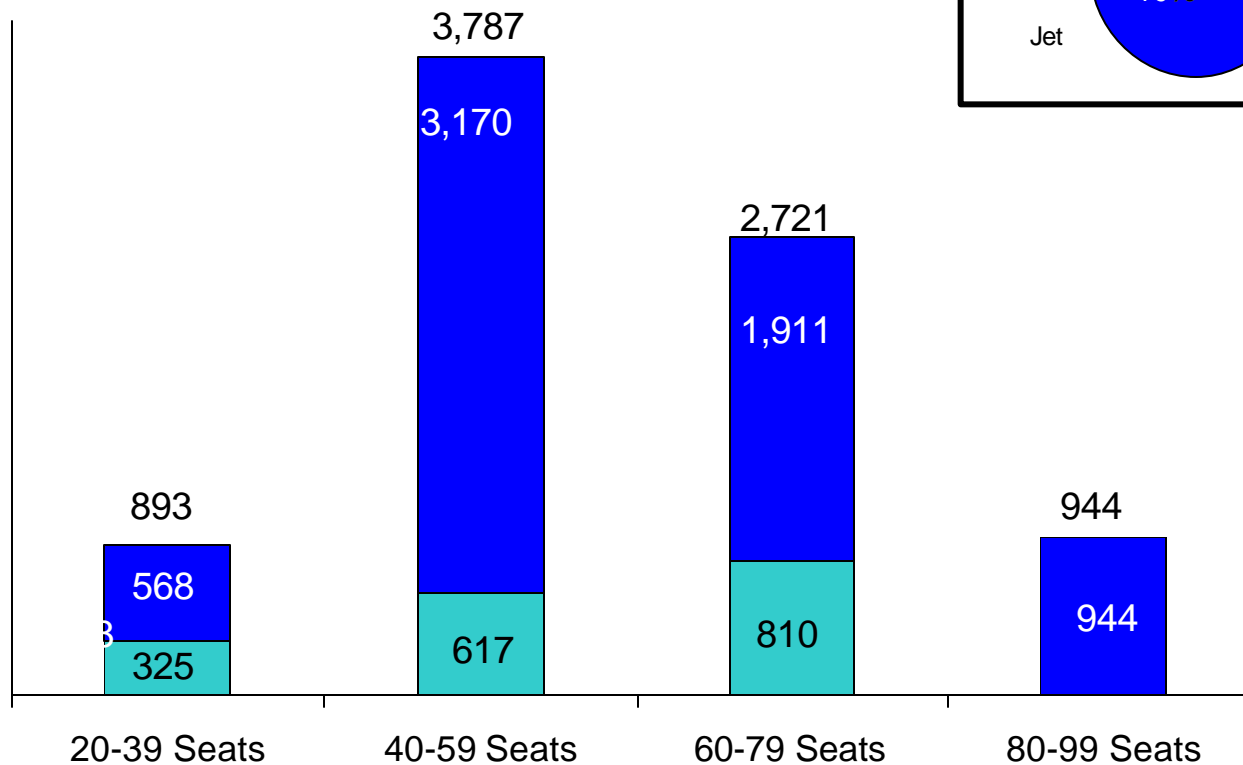
*2001 US Dollars

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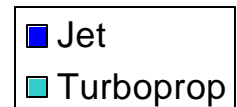
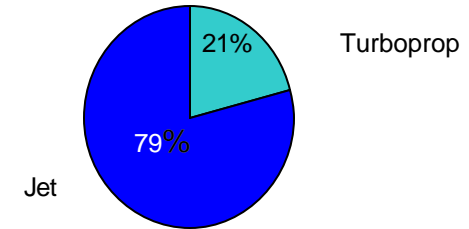
Worldwide Delivery Forecast

Turboprop-Jet Split
20-90 Seats, 2001-2020

Units



20-99 Seats, Total Delivery: 8,345 Units



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Dash 8Q Series One Turboprop Family from 37 to 78 Seats

U.S. Airways



Horizon Air



Tyrolean



SAS



Augsburg Airways



British European



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CRJ Series

One RJ Family from 40 to 90 Seats



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Bombardier Regional Aircraft Family



Bombardier Q100/200



Bombardier Q300



Bombardier Q400



Bombardier CRJ200



Bombardier CRJ700



Bombardier CRJ900

Thank you!

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